

Clinton Hill Urban Renewal Project

To: Mayor Carlin  
Members of the City Council  
Mariano J. Rinaldi  
Vincent Turpey  
John Flockhart  
Members of the Central Planning Board

The Newark Commission for Neighborhood Conservation and Rehabilitation has, after long study and with the assistance of the Planning Officer evolved a plan for a neighborhood urban renewal project in the Clinton Hill area. Most of the ground work has been completed and the data collected for an application to the Urban Renewal Administration for its approval. The sentiment among Clinton Hill residents, is in our opinion, strong for "getting going" and the Neighborhood associations all around the city have manifested genuine enthusiasm for the program. We believe that it is a matter of urgency that we respond to public opinion and have submitted as soon as possible an urban renewal plan to the appropriate federal agency for approval.

Certain vital policy decisions must be made by the recipients of this memorandum before any further progress can be made. We have tried to assemble the essential information to aid you in making a decision and are taking the liberty of stating the views of our Commission where the Commission has taken an affirmative position.

1. Should the project be unassisted or assisted?

The Federal Government classifies urban renewal projects such as the one proposed for Clinton Hill into two categories, unassisted projects and assisted projects depending on the type of aids sought. Under an unassisted project, the Federal Government would play a very limited role as it would not provide any cash assistance either in the form of grants or loans. All that the City would receive from the Government would be the benefits of F.H.A. Section #220 mortgage insurance through the Federal Housing Administration which would facilitate property owners obtaining mortgage financing on better terms (longer term mortgages at lower interest rates.) This, of course, would make it easier for residents to undertake home improvements which, in turn, makes strict enforcement of the various City codes more feasible. Because the Federal Government's role would be relatively nominal, we could anticipate that the job of preparing and processing applications would be simpler and approvals could be obtained more quickly.

Under the unassisted project the City would undertake providing at its own expense in conformity with the urban renewal plan new recreational and educational facilities, vacation of and dead end certain streets, construction of greenways and rest areas and would thus contribute to the physical rejuvenation of a neighborhood area. This work would be accompanied by an intensive effort at code enforcement and concurrent with this there would be an attempt to secure voluntary cooperation of property owners.

Under an assisted project, all of the above functions would be undertaken, and in addition, application would be made for federal financial assistance to the City. To the extent, land had to be acquired to accomplish the project and the cost written down for reuse by a public or private agency, the Federal Government would absorb two-thirds or possibly even three quarters of the write-down. To the extent the City expended moneys on the project and for the purposes of the project in excess of the one-third (or one-quarter) share as set down by the Federal Government, the City would be given a credit towards further federal financial assistance which could be applied to other urban renewal projects elsewhere in the City.

Some rough estimates to show relative costs and benefits to the City under possible alternative conditions are attached to this memorandum.

It is the view of the Commission, that despite the simplicity and expedition that an unassisted project might afford, the overall financial problems of the City and the need for federal assistance in financing urban renewal is of transcending importance. Consequently, the City cannot afford to lose the actual cash assistance and future credit that an assisted project would provide. To that end, we recommend the preparation and submission of an application for an assisted urban renewal project.

However, the need to move ahead now is of such importance that we further would propose that the City commence acquisition of the sheltering home site on Clinton Avenue for a park and recreation area. An effort should be made to obtain prior approval of the Urban Renewal Administration of the acquisition of that site so that if at all possible the cost of acquisition can be included in the total project cost to enable the City to obtain the maximum federal grant.

Should the Urban Renewal Administration refuse or fail to grant prior approval of the acquisition and should acquisition of the site be made prior to approval of the actual contract for loan and grant assistance from the Federal Government then no credit towards the City's share of the cost of the project can be anticipated for the expenditure of the City for this property.

In making the recommendation to file for an assisted project we have reviewed with representatives of the Urban Renewal Administration the possibility of filing initially for an unassisted project and later changing to an assisted project. This would pose practical difficulties as approval of such a change in procedure cannot be assured in advance; we might find ourselves confined to an unassisted project. Consequently, it is our view that the decision should be made now as to the type of application to be submitted.

2. What is the appropriate City agency to make the application and supervise the program?

If the application is for an unassisted project, in our opinion, the City itself is the only appropriate agency. Under such a plan, the work to be undertaken would be of the type normally undertaken by the various City departments and consequently should be the responsibility of the Administration directly.

If the application is for an assisted project, the added possibility of substantial land acquisition, clearance and resale or disposal would be introduced, a function which normally falls within the powers and scope of the redevelopment agency. However, the balance of the project contemplating possible construction of a new school, recreational areas, rearrangement of street patterns, code enforcement and rehabilitation as previously stated under the unassisted project is properly a function of several of the regular City agencies and should be under the direction of the City.

To accomplish the dual functions just outlined, the Urban Renewal Administration has provided for a joint application by more than one agency (here the City and the Redevelopment Agency, i.e. the Housing Authority). The two agencies must delineate their respective areas of operation. To that end there should be (and there would be required) a contract between the City and the Housing Authority under which the City would undertake the project in all its features except where acquisition and clearance is necessary in which case the Housing Authority would utilize its powers in conformity with the Urban Renewal Plan. It might be noted that any urban renewal would require approval of the Central Planning Board, and the City Council before it would become operative.

In order to undertake the Clinton Hill Project there must be appointed by resolution under the amendments to the Housing Authorities Law an agency to exercise "Rehabilitation and Conservation" powers. It is our view that on the Clinton Hill project that these powers should be vested in the City for both the planning and execution of the project plan except that to the extent that the plan calls for acquisition of property for resale for private use. The Newark Housing Authority might be designated to undertake so much of the plan as entails acquisition and resale for private use, in keeping with the overall plan as developed and carried out by the City.

3. Should the application (if it is an assisted application) seek Federal assistance for 2/3 or 3/4's of the project cost?

Under an amendment to the Federal law passed just this month, it is possible now to obtain not just 2/3rds as has been the case prior to the change but 3/4's of the net project cost back from the Federal Government either in the form of cash or urban renewal credit. To receive the higher percentage, all the initial planning and surveying work must be financed by the local public agency. The cost of this work cannot be included in computing the project cost on which the federal grant is based. However, not only must the local public agency advance the initial costs itself, but having adopted this procedure on one project, it must continue the same mode of operation on subsequent urban renewal projects.

As applied to Newark in 1957, it would mean that the planning work would have to be undertaken by existing staff or at least within existing appropriations without federal aid. We are further advised that the present work load on the Planning Department is such that this additional planning work cannot be done this year. In other words, to seek the higher percentage formula, the necessary planning and survey work would have to be postponed and undertaken under the 1958 budget.

4. Does furtherance of the Clinton Hill project require the services of a Coordinator at this time?

In our view, the services of a full-time official to serve as a coordinator for the NCMCR in carrying out its duties is indispensable. With mounting public interest comes an over-increasing job of keeping the public and the neighborhood groups informed of the City's efforts to make neighborhood planning, conservation and rehabilitation a reality. To develop the proposals and to integrate the views of the many city agencies and officers interested, requires the efforts of a responsible individual. The Commission's work has been slowed and rendered more difficult by the fact that it has been without the services of such a Coordinator. With a program as complex as the one contemplated and entailing the synchronized effort of several City agencies it would be frankly impossible to function without such an individual. We are advised that this would entail no new burden on the City as existing personnel is available for this assignment. Furthermore, if an assisted project is undertaken and approved, the Coordinator's salary becomes, after approval by the Federal Agency, part of the project cost which will be shared by the Federal Government.

We are most anxious to be of service to all the Officials and governmental bodies who will share in the success of the neighborhood renewal program. At this critical stage we would welcome the opportunity to discuss further the matters embodied in this memorandum and trust that the necessary determinations can be made as soon as possible so that we can move forward together on this most worthwhile and valuable program for our City's future.

Respectfully submitted,

Agnes Coleman, Chairman